

**Illinois Department of Revenue
Regulations**

Title 86 Part 150 Section 150.135 How to Avoid Paying Tax on Use Tax Collected From the Purchaser
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TITLE 86: REVENUE

**PART 150
USE TAX**

Section 150.135 How to Avoid Paying Tax on Use Tax Collected From the Purchaser

- a) Taxable receipts, on the basis of which Use Tax must be collected and remitted to the Department in transactions that are subject to the Use Tax despite being exempt from the Retailers' Occupation Tax because of interstate commerce, do not include charges which are added to prices on account of the seller's duty to collect the Use Tax.
- b) If a retailer does not keep a detailed record for the return period of the Use Tax which he collects so as clearly to segregate these added charges from other receipts, it will at least in general be assumed that the Use Tax collected equals 6.25% of the receipts received in such return period from taxable sales if the retailer collects the Use Tax in accordance with the bracket schedule prescribed by the Department in Section 150. Table A and states such tax separately from the selling price of the tangible personal property, as the retailer is required to do.
- c) The retailer may eliminate the amount of Use Tax which he collects from the total receipts which he receives from taxable sales in arriving at his taxable receipts from such sales by subtracting the amount so collected from the purchaser as Use Tax, as shown by such retailer's books and records, or he may accomplish this result by subtracting, from the total receipts which he receives from taxable sales, the figure obtained by dividing such receipts by 106.25 and multiplying the result by 6.25.
- d) The seller will not be entitled to any deduction from total receipts because of having collected Use Tax from the purchaser if the seller, in collecting such tax, does not state it to the purchaser as a separate item from the selling price, unless the Department finds that it is not possible, under the facts of the case, for the retailer to collect the tax from the purchaser as a separate item from the selling price and that the retailer is therefore permitted to collect the tax by including it in the selling price of the tangible personal property. See Section 150.1310 of this Part for additional information regarding the circumstances under which tax need not be stated as a separate item.

(Source: Amended at 24 Ill. Reg. 10728, effective July 7, 2000)